

Our Claims Handling Process

All Claims under the Executive Risk Insurance Services (ERIS) Trade Credit Insurance facility will be adjusted by Kiln Ltd., who manages Syndicate 510 at Lloyd's. The syndicate has a total capacity of £624 million and benefits from the Lloyd's market ratings of 'A+' from Standard & Poors and Fitch Ratings and 'A' from A.M. Best.

Kiln's claims philosophy, as outlined on their website, is as follows:

"The claims department at Kiln prides itself on its market-leading customer service. A dedicated team with considerable experience is headed by Ashley Lawrence, and handles all claims on business that Kiln leads.

As you would expect from Kiln, our focus is on building partnerships and nurturing long-term business relationships."

Every Lloyd's policy is backed by the "Lloyd's Chain of Security", and Lloyd's is subject to strict solvency requirements set by the UK government on its global business and the Superintendent of Financial Institutions Canada on its Canadian business.

These solvency requirements are consistently met, and part of the Chain of Security consists of assets held in trust by Lloyd's Underwriters in Canada, which were valued at \$2,586 million at December 31, 2004. Specifically, all claims reserves must be funded 100% by the applicable Lloyd's syndicate, with the monies held in trust at Citibank Canada.

Lloyd's Chain of Security:

1. *Syndicate level assets – Payment of claims takes precedence over distribution of profits.* All premiums received are held in trust and are available to meet claims and other underwriting liabilities. Syndicates are unable to receive profits until the underwriting account has been closed, three years later, and all outstanding liabilities have been provided for.
2. *Additional capital held at Lloyd's.* In case the premium trust funds prove insufficient, additional capital must also be held in trust at Lloyd's, based on the nature and amount of risk the syndicate underwrites.
3. *Other assets.* The syndicate is liable to the extent of their resources, should the funds in the first two links prove insufficient.
4. *Lloyd's central assets.* The Central Fund is available to back Lloyd's policies issued after 1993, in the event a claim cannot be met from other sources.

Please note that all Notices of claims are to be directed to:

Executive Risk Insurance Services

Attention: Leah Halpenny - Lhalpenny@execurisk.com
365 Bay Street, 12th Floor
Toronto, Ontario M5H 2V1; Canada

All Claims referred are the responsibility of The Underwriter. All Claims Applicable Will Be Managed and Directed by The Underwriter.